

AMENDED IN ASSEMBLY AUGUST 30, 2005

AMENDED IN ASSEMBLY JULY 11, 2005

AMENDED IN SENATE MAY 4, 2005

AMENDED IN SENATE APRIL 25, 2005

AMENDED IN SENATE APRIL 20, 2005

AMENDED IN SENATE APRIL 18, 2005

AMENDED IN SENATE APRIL 7, 2005

SENATE BILL

No. 430

Introduced by Senator Runner

February 17, 2005

An act to amend Sections 1241.5, 42127.8, ~~47604.4~~, and ~~47605~~ and ~~47604.4~~ of the Education Code, relating to charter schools.

LEGISLATIVE COUNSEL'S DIGEST

SB 430, as amended, Runner. Charter schools.

~~(1) Existing~~

Existing law establishes the County Office Fiscal Crisis and Management Assistance Team to provide, among other things, fiscal management assistance at the request of any school district or county office of education.

This bill would permit a county superintendent of schools to request the County Office Fiscal Crisis and Management Assistance Team to review the fiscal or administrative condition of a school district or charter school under his or her jurisdiction. The bill would, in addition, permit a charter school to request specified assistance from the County Office Fiscal Crisis and Management Assistance Team.

This bill would incorporate additional changes in Section 42127.8 of the Education Code proposed by AB 1366, that would become operative only if AB 1366 and this bill are both chaptered and become effective on or before January 1, 2006, and this bill is chaptered last.

~~(2) Existing law requires charter schools to meet or comply with various requirements.~~

~~Existing law prohibits the governing board of a school district from denying a petition for the establishment of a charter school unless it makes written factual findings that, among other things, the petition does not contain reasonably comprehensive descriptions of the method by which pupil progress in meeting pupil outcomes is to be measured.~~

~~This bill would also prohibit the governing board of a school district from denying a petition for the establishment of a charter school unless it makes written factual findings that, the petition does not contain reasonably comprehensive description of a conflict of interest policy governing the conduct of officers and members of the governing entity of the charter school.~~

Vote: majority. Appropriation: no. Fiscal committee: no.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 1241.5 of the Education Code is
- 2 amended to read:
- 3 1241.5. (a) At any time during a fiscal year, the county
- 4 superintendent may audit the expenditures and internal controls
- 5 of school districts he or she determines to be fiscally accountable,
- 6 and shall conduct this audit in a timely and efficient manner. The
- 7 county superintendent shall report the findings and
- 8 recommendation to the governing board of the district within 45
- 9 days of completing the audit. The governing board shall, no later
- 10 than 15 days after receipt of the report, notify the county
- 11 superintendent of schools of its proposed actions on the county
- 12 superintendent's recommendation. Upon review of the governing
- 13 board report, the county superintendent, at his or her discretion,
- 14 may revoke the authority for the district to be fiscally
- 15 accountable pursuant to Section 42650.
- 16 (b) At any time during a fiscal year, the county superintendent
- 17 may review or audit the expenditures and internal controls of any
- 18 school district in his or her county if he or she has reason to

1 believe that fraud, misappropriation of funds, or other illegal
2 fiscal practices have occurred that merit examination. The review
3 or audit conducted by the county superintendent shall be focused
4 on the alleged fraud, misappropriation of funds, or other illegal
5 fiscal practices and shall be conducted in a timely and efficient
6 manner. The county superintendent shall report the findings and
7 recommendations to the governing board of the school district at
8 a regularly scheduled school district board meeting within 45
9 days of completing the review, audit, or examination. The
10 governing board of the school district shall, no later than 15
11 calendar days after receipt of the report, notify the county
12 superintendent of its proposed actions on the county
13 superintendent's recommendations. Upon review of the school
14 district governing board report, the county superintendent, at his
15 or her discretion, and consistent with law, may disapprove an
16 order for payment of funds consistent with Section 42638.

17 (c) At any time during a fiscal year, the county superintendent
18 may review or audit the expenditures and internal controls of any
19 charter school in his or her county if he or she has reason to
20 believe that fraud, misappropriation of funds, or other illegal
21 fiscal practices have occurred that merit examination. The review
22 or audit conducted by the county superintendent shall be focused
23 on the alleged fraud, misappropriation of funds, or other illegal
24 fiscal practices and shall be conducted in a timely and efficient
25 manner. The county superintendent shall report the findings and
26 recommendations to the governing board of the charter school at
27 a regularly scheduled meeting, and provide a copy of the
28 information to the chartering authority of the charter school,
29 within 45 days of completing the review, audit, or examination.
30 The governing board of the charter school shall, no later than 15
31 calendar days after receipt of the report, notify the county
32 superintendent and its chartering authority of its proposed
33 response to the recommendations.

34 SEC. 2. Section 42127.8 of the Education Code is amended to
35 read:

36 42127.8. (a) The governing board provided for in subdivision
37 (b) shall establish a unit to be known as the County Office Fiscal
38 Crisis and Management Assistance Team. The team shall consist
39 of persons having extensive experience in school district
40 budgeting, accounting, data processing, telecommunications, risk

1 management, food services, pupil transportation, purchasing and
2 warehousing, facilities maintenance and operation, and personnel
3 administration, organization, and staffing. The Superintendent
4 may appoint one employee of the department to serve on the unit.
5 The unit shall be operated under the immediate direction of an
6 appropriate county office of education selected jointly, in
7 response to an application process, by the Superintendent and the
8 Secretary for Education.

9 (b) The unit established under subdivision (a) shall be selected
10 and governed by a 23-member governing board consisting of one
11 representative chosen by the California County Superintendents
12 Educational Services Association from each of the 11 county
13 service regions designated by the association, 11 superintendents
14 of school districts chosen by the Association of California School
15 Administrators from each of the 11 county service regions, and
16 one representative from the State Department of Education
17 chosen by the Superintendent of Public Instruction. The
18 governing board of the County Office Fiscal Crisis and
19 Management Assistance Team shall select a county
20 superintendent of schools to chair the unit.

21 (c) (1) The Superintendent may request the unit to provide the
22 assistance described in subdivision (b) of Section 1624, Section
23 1630, Section 33132, subdivision (b) of Section 42127.3,
24 subdivision (c) of Section 42127.6, Section 42127.9, and
25 subdivision (a) of Section 42238.2, and to review the fiscal and
26 administrative condition of any county office of education,
27 school district, or charter school.

28 (2) A county superintendent of schools may request the unit to
29 review the fiscal or administrative condition of a school district
30 or charter school under his or her jurisdiction.

31 (d) In addition to the functions described in subdivision (c),
32 the unit shall do all of the following:

33 (1) Provide fiscal management assistance, at the request of any
34 school district, charter school, or county office of education.
35 Each school district, charter school, or county office of education
36 receiving that assistance shall be required to pay the onsite
37 personnel costs and travel costs incurred by the unit for that
38 purpose, pursuant to rates determined by the governing board
39 established under subdivision (b). The governing board annually

1 shall distribute rate information to each school district, charter
2 school, and county office of education.

3 (2) Facilitate training for members of the governing board of
4 the school district, district and county superintendents, chief
5 financial officers within the district, and schoolsite personnel
6 whose primary responsibility is to address fiscal issues. Training
7 services shall emphasize efforts to improve fiscal accountability
8 and expand the fiscal competency of local agencies. The unit
9 shall use state professional associations, private organizations,
10 and public agencies to provide guidance, support, and the
11 delivery of any training services.

12 (3) Facilitate fiscal management training through the 10
13 county service regions to county office of education staff to
14 ensure that they develop the technical skills necessary to perform
15 their fiduciary duty. The governing board established pursuant to
16 subdivision (b) shall determine the extent of the training that is
17 necessary to comply with this paragraph.

18 (4) Produce a training calendar, to be disseminated
19 semiannually to each county service region, that publicizes all of
20 the fiscal training services that are being offered at the local,
21 regional, and state levels.

22 (e) The governing board shall reserve not less than 25 percent,
23 nor more than 50 percent, of its revenues each year for
24 expenditure for the costs of contracts and professional services as
25 management assistance to school districts, charter schools, or
26 county superintendents of schools in which the board determines
27 that a fiscal emergency exists.

28 (f) The governing board established under subdivision (b) may
29 levy an annual assessment against each county office of
30 education that elects to participate under this section in an
31 amount not to exceed twenty cents (\$0.20) per unit of total
32 average daily attendance for all school districts within the
33 county. The revenues collected pursuant to that assessment shall
34 be applied to the expenses of the unit.

35 (g) The governing board established under subdivision (b)
36 may pay to the department, from any available funds, a
37 reasonable amount to reimburse the department for actual
38 administrative expenses incurred in the review of the budgets and
39 fiscal conditions of school districts, charter schools, and county
40 superintendents of schools.

(h) When employed as a fiscal adviser by the department pursuant to Section 1630, employees of the unit established pursuant to subdivision (a) shall be considered employees of the department for purposes of errors and omissions liability insurance.

(i) (1) The unit shall request and review applications to establish regional teams of education finance experts throughout the state.

(2) To the extent that funding is provided for purposes of this subdivision in the annual Budget Act or through another appropriation, regional teams selected by the Superintendent, in consultation with the unit, shall provide training and technical expertise to school districts, charter schools, and county offices of education facing fiscal difficulties.

(3) The regional teams shall follow the standards and guidelines of and remain under the general supervision of the governing board established under subdivision (b).

(4) It is the intent of the Legislature that, to the extent possible, the regional teams be distributed geographically throughout the various regions of the state in order to provide timely, cost-effective expertise to school districts, charter schools, and county offices of education throughout the state.

SEC. 2.5. Section 42127.8 of the Education Code is amended to read:

42127.8. (a) The governing board provided for in subdivision (b) shall establish a unit to be known as the County Office Fiscal Crisis and Management Assistance Team. The team shall consist of persons having extensive experience in school district budgeting, accounting, data processing, telecommunications, risk management, food services, pupil transportation, purchasing and warehousing, facilities maintenance and operation, and personnel administration, organization, and staffing. The Superintendent may appoint one employee of the department to serve on the unit. The unit shall be operated under the immediate direction of an appropriate county office of education selected jointly, in response to an application process, by the Superintendent and the Secretary for Education.

(b) The unit established under subdivision (a) shall be selected and governed by a ~~23-member~~ 25-member governing board consisting of one representative chosen by the California County

1 Superintendents Educational Services Association from each of
2 the 11 county service regions designated by the association, 11
3 superintendents of school districts chosen by the Association of
4 California School Administrators from each of the 11 county
5 service regions,—and one representative from the State
6 Department of Education chosen by the Superintendent of Public
7 Instruction, *the Chancellor of the California Community*
8 *Colleges or his or her designee, and one member of a community*
9 *college district governing board chosen by the chancellor.* The
10 governing board of the County Office Fiscal Crisis and
11 Management Assistance Team shall select a county
12 superintendent of schools to chair the unit.

13 (c) (1) The Superintendent may request the unit to provide
14 the assistance described in subdivision (b) of Section 1624,
15 Section 1630, Section 33132, subdivision (b) of Section 42127.3,
16 subdivision (c) of Section 42127.6, Section 42127.9, and
17 subdivision (a) of Section 42238.2, and to review the fiscal and
18 administrative condition of any county office of education,
19 school district, or charter school.

20 (2) *A county superintendent of schools may request the unit to*
21 *review the fiscal or administrative condition of a school district*
22 *or charter school under his or her jurisdiction.*

23 (3) *The Board of Governors of the California Community*
24 *Colleges may request the unit to provide the assistance described*
25 *in Section 84041.*

26 (d) In addition to the functions described in subdivision (c),
27 the unit shall do all of the following:

28 (1) Provide fiscal management assistance, at the request of any
29 school district, *charter school*, or county office of education, *or,*
30 *pursuant to subdivision (g) of Section 84041, at the request of*
31 *any community college district.* Each school district, *charter*
32 *school*, or county office of education receiving that assistance
33 shall be required to pay the onsite personnel costs and travel
34 costs incurred by the unit for that purpose, pursuant to rates
35 determined by the governing board established under subdivision
36 (b). The governing board annually shall distribute rate
37 information to each school district, *charter school*, and county
38 office of education.

39 (2) Facilitate training for members of the governing board of
40 the school district, district and county superintendents, chief

1 financial officers within the district, and schoolsite personnel
2 whose primary responsibility is to address fiscal issues. Training
3 services shall emphasize efforts to improve fiscal accountability
4 and expand the fiscal competency of local agencies. The unit
5 shall use state professional associations, private organizations,
6 and public agencies to provide guidance, support, and the
7 delivery of any training services.

8 (3) Facilitate fiscal management training through the ~~10~~ 11
9 county service regions to county office of education staff to
10 ensure that they develop the technical skills necessary to perform
11 their fiduciary ~~duty~~. The governing board established pursuant to
12 subdivision (b) shall determine the extent of the training that is
13 necessary to comply with this paragraph.

14 (4) Produce a training calendar, to be disseminated
15 semiannually to each county service region, that publicizes all of
16 the fiscal training services that are being offered at the local,
17 regional, and state levels.

18 (e) The governing board shall reserve not less than 25 percent,
19 nor more than 50 percent, of its revenues each year for
20 expenditure for the costs of contracts and professional services as
21 management assistance to school districts or county
22 superintendents of schools in which the board determines that a
23 fiscal emergency exists.

24 (f) The governing board established under subdivision (b) may
25 levy an annual assessment against each county office of
26 education that elects to participate under this section in an
27 amount not to exceed twenty cents (\$0.20) per unit of total
28 average daily attendance for all school districts within the
29 county. The revenues collected pursuant to that assessment shall
30 be applied to the expenses of the unit.

31 (g) The governing board established under subdivision (b)
32 may pay to the department, from any available funds, a
33 reasonable amount to reimburse the department for actual
34 administrative expenses incurred in the review of the budgets and
35 fiscal conditions of school districts, *charter schools*, and county
36 superintendents of schools.

37 (h) When employed as a fiscal adviser by the department
38 pursuant to Section 1630, employees of the unit established
39 pursuant to subdivision (a) shall be considered employees of the

1 department for purposes of errors and omissions liability
2 insurance.

3 (i) (1) The unit shall request and review applications to
4 establish regional teams of education finance experts throughout
5 the state.

6 (2) To the extent that funding is provided for purposes of this
7 subdivision in the annual Budget Act or through another
8 appropriation, regional teams selected by the Superintendent, in
9 consultation with the unit, shall provide training and technical
10 expertise to school districts, *charter schools*, and county offices
11 of education facing fiscal difficulties.

12 (3) The regional teams shall follow the standards and
13 guidelines of and remain under the general supervision of the
14 governing board established under subdivision (b).

15 (4) It is the intent of the Legislature that, to the extent possible,
16 the regional teams be distributed geographically throughout the
17 various regions of the state in order to provide timely,
18 cost-effective expertise to school districts, *charter schools*, ~~and~~
19 county offices of education, *and community college districts*
20 throughout the state.

21 SEC. 3. Section 47604.4 of the Education Code is amended to
22 read:

23 47604.4. (a) In addition to the authority granted by Sections
24 1241.5 and 47604.3, a county superintendent of schools may,
25 based upon written complaints by parents or other information
26 that justifies the investigation, monitor the operations of a charter
27 school located within that county and conduct an investigation
28 into the operations of that charter school. If a county
29 superintendent of schools monitors or investigates a charter
30 school pursuant to this section, the county office of education
31 shall not incur any liability beyond the cost of the investigation.

32 (b) A charter school shall notify the county superintendent of
33 schools of the county in which it is located of the location of the
34 charter school, including the location of each site, if applicable,
35 prior to commencing operations.

36 ~~SEC. 4. Section 47605 of the Education Code is amended to~~
37 ~~read:~~

38 ~~47605. (a) (1) Except as set forth in paragraph (2), a petition~~
39 ~~for the establishment of a charter school within any school~~
40 ~~district may be circulated by any one or more persons seeking to~~

1 establish the charter school. A petition for the establishment of a
2 charter school shall identify a single charter school that will
3 operate within the geographic boundaries of that school district.
4 A charter school may propose to operate at multiple sites within
5 the school district, as long as each location is identified in the
6 charter school petition. The petition may be submitted to the
7 governing board of the school district for review after either of
8 the following conditions are met:

9 (A) The petition has been signed by a number of parents or
10 guardians of pupils that is equivalent to at least one-half of the
11 number of pupils that the charter school estimates will enroll in
12 the school for its first year of operation.

13 (B) The petition has been signed by a number of teachers that
14 is equivalent to at least one-half of the number of teachers that
15 the charter school estimates will be employed at the school
16 during its first year of operation.

17 (2) In the case of a petition for the establishment of a charter
18 school through the conversion of an existing public school, that
19 would not be eligible for a loan pursuant to subdivision (b) of
20 Section 41365, the petition may be circulated by any one or more
21 persons seeking to establish the converted charter school. The
22 petition may be submitted to the governing board of the school
23 district for review after the petition has been signed by not less
24 than 50 percent of the permanent status teachers currently
25 employed at the public school to be converted.

26 (3) A petition shall include a prominent statement that a
27 signature on the petition means that the parent or guardian is
28 meaningfully interested in having his or her child, or ward, attend
29 the charter school, or in the case of a teacher's signature, means
30 that the teacher is meaningfully interested in teaching at the
31 charter school. The proposed charter shall be attached to the
32 petition.

33 (4) After receiving approval of its petition, a charter school
34 that proposes to establish operations at one or more additional
35 sites within the jurisdictional boundaries of the school district
36 shall request a material revision to its charter and shall notify the
37 governing board of the school district of those additional
38 locations. The governing board of the school district shall
39 consider whether to approve those additional locations at an
40 open, public meeting. If the additional locations are approved by

~~the governing board of the school districts, they shall be a material revision to the charter school's charter.~~

~~(5) Notwithstanding subdivision (a), a charter school that is unable to locate within the jurisdiction of the chartering school district may establish one site outside the boundaries of the school district, but within the county within which that school district is located, if the school district where the charter school proposes to operate is notified in advance of the charter petition approval, the county superintendent of schools and the Superintendent are notified of the location of the charter school before it commences operations and either of the following circumstances exist:~~

~~(A) The school has attempted to locate a single site or facility to house the entire program but such a facility or site is unavailable in the area in which the school chooses to locate.~~

~~(B) The site is needed for temporary use during a construction or expansion project.~~

~~(6) Commencing January 1, 2003, a petition to establish a charter school may not be approved to serve pupils in a grade level that is not served by the school district of the governing board considering the petition, unless the petition proposes to serve pupils in all of the grade levels served by that school district.~~

~~(b) No later than 30 days after receiving a petition, in accordance with subdivision (a), the governing board of the school district shall hold a public hearing on the provisions of the charter, at which time the governing board of the school district shall consider the level of support for the petition by teachers employed by the district, other employees of the district, and parents. Following review of the petition and the public hearing, the governing board of the school district shall either grant or deny the charter within 60 days of receipt of the petition; provided, however, that the date may be extended by an additional 30 days if both parties agree to the extension. In reviewing petitions for the establishment of charter schools pursuant to this section, the chartering authority shall be guided by the intent of the Legislature that charter schools are and should become an integral part of the California educational system and that establishment of charter schools should be encouraged. A school district governing board shall grant a~~

1 charter for the operation of a school under this part if it is
2 satisfied that granting the charter is consistent with sound
3 educational practice. The governing board of the school district
4 shall not deny a petition for the establishment of a charter school
5 unless it makes written factual findings, specific to the particular
6 petition, setting forth specific facts to support one or more of the
7 following findings:

8 (1) The charter school presents an unsound educational
9 program for the pupils to be enrolled in the charter school.

10 (2) The petitioners are demonstrably unlikely to successfully
11 implement the program set forth in the petition.

12 (3) The petition does not contain the number of signatures
13 required by subdivision (a).

14 (4) The petition does not contain an affirmation of each of the
15 conditions described in subdivision (d).

16 (5) The petition does not contain reasonably comprehensive
17 descriptions of all of the following:

18 (A) (i) A description of the educational program of the school,
19 designed, among other things, to identify those whom the school
20 is attempting to educate, what it means to be an “educated
21 person” in the 21st century, and how learning best occurs. The
22 goals identified in that program shall include the objective of
23 enabling pupils to become self-motivated, competent, and
24 lifelong learners.

25 (ii) If the proposed school will serve high school pupils, a
26 description of how the charter school will inform parents about
27 the transferability of courses to other public high schools and the
28 eligibility of courses to meet college entrance requirements.
29 Courses offered by the charter school that are accredited by the
30 Western Association of Schools and Colleges may be considered
31 transferable and courses approved by the University of California
32 or the California State University as creditable under the “A” to
33 “G” admissions criteria may be considered to meet college
34 entrance requirements.

35 (B) The measurable pupil outcomes identified for use by the
36 charter school. “Pupil outcomes,” for purposes of this part,
37 means the extent to which all pupils of the school demonstrate
38 that they have attained the skills, knowledge, and attitudes
39 specified as goals in the school’s educational program.

1 ~~(C) The method by which pupil progress in meeting those~~
2 ~~pupil outcomes is to be measured.~~

3 ~~(D) The governance structure of the school, including, but not~~
4 ~~limited to, the process to be followed by the school to ensure~~
5 ~~parental involvement.~~

6 ~~(E) The qualifications to be met by individuals to be employed~~
7 ~~by the school.~~

8 ~~(F) The procedures that the school will follow to ensure the~~
9 ~~health and safety of pupils and staff. These procedures shall~~
10 ~~include the requirement that each employee of the school furnish~~
11 ~~the school with a criminal record summary as described in~~
12 ~~Section 44237.~~

13 ~~(G) The means by which the school will achieve a racial and~~
14 ~~ethnic balance among its pupils that is reflective of the general~~
15 ~~population residing within the territorial jurisdiction of the school~~
16 ~~district to which the charter petition is submitted.~~

17 ~~(H) Admission requirements, if applicable.~~

18 ~~(I) The manner in which annual, independent, financial audits~~
19 ~~shall be conducted, which shall employ generally accepted~~
20 ~~accounting principles, and the manner in which audit exceptions~~
21 ~~and deficiencies shall be resolved to the satisfaction of the~~
22 ~~chartering authority.~~

23 ~~(J) The procedures by which pupils can be suspended or~~
24 ~~expelled.~~

25 ~~(K) The manner by which staff members of the charter schools~~
26 ~~will be covered by the State Teachers' Retirement System, the~~
27 ~~Public Employees' Retirement System, or federal social security.~~

28 ~~(L) The public school attendance alternatives for pupils~~
29 ~~residing within the school district who choose not to attend~~
30 ~~charter schools.~~

31 ~~(M) A description of the rights of any employee of the school~~
32 ~~district upon leaving the employment of the school district to~~
33 ~~work in a charter school, and of any rights of return to the school~~
34 ~~district after employment at a charter school.~~

35 ~~(N) The procedures to be followed by the charter school and~~
36 ~~the entity granting the charter to resolve disputes relating to~~
37 ~~provisions of the charter.~~

38 ~~(O) A declaration whether or not the charter school shall be~~
39 ~~deemed the exclusive public school employer of the employees~~
40 ~~of the charter school for the purposes of the Educational~~

~~Employment Relations Act (Chapter 10.7 (commencing with Section 3540) of Division 4 of Title 1 of the Government Code).~~

~~(P) A description of the procedures to be used if the charter school closes. The procedures shall ensure a final audit of the school to determine the disposition of all assets and liabilities of the charter school, including plans for disposing of any net assets and for the maintenance and transfer of pupil records.~~

~~(Q) A conflict of interest policy that includes a description of the responsibilities and limitations on the activities of officers and members of the governing entity of the charter school, who receive compensation from the charter school for services rendered to the charter school and who have a material financial interest in the charter school or who have a material financial interest in the outcome of decisions made by the governing entity. The policy shall also describe the obligations of officers and members of the governing entity of the charter school to conduct their duties in a manner that is consistent with the best interests of the charter school and its pupils.~~

~~(e) (1) Charter schools shall meet all statewide standards and conduct the pupil assessments required pursuant to Section 60605 and any other statewide standards authorized in statute or pupil assessments applicable to pupils in noncharter public schools.~~

~~(2) Charter schools shall, on a regular basis, consult with their parents and teachers regarding the school's educational programs.~~

~~(d) (1) In addition to any other requirement imposed under this part, a charter school shall be nonsectarian in its programs, admission policies, employment practices, and all other operations, shall not charge tuition, and shall not discriminate against any pupil on the basis of ethnicity, national origin, gender, or disability. Except as provided in paragraph (2), admission to a charter school shall not be determined according to the place of residence of the pupil, or of his or her parent or guardian, within this state, except that any existing public school converting partially or entirely to a charter school under this part shall adopt and maintain a policy giving admission preference to pupils who reside within the former attendance area of that public school.~~

1 ~~(2) (A) A charter school shall admit all pupils who wish to~~
2 ~~attend the school.~~

3 ~~(B) However, if the number of pupils who wish to attend the~~
4 ~~charter school exceeds the school's capacity, attendance, except~~
5 ~~for existing pupils of the charter school, shall be determined by a~~
6 ~~public random drawing. Preference shall be extended to pupils~~
7 ~~currently attending the charter school and pupils who reside in~~
8 ~~the district except as provided for in Section 47614.5. Other~~
9 ~~preferences may be permitted by the chartering authority on an~~
10 ~~individual school basis and only if consistent with the law.~~

11 ~~(C) In the event of a drawing, the chartering authority shall~~
12 ~~make reasonable efforts to accommodate the growth of the~~
13 ~~charter school and, in no event, shall take any action to impede~~
14 ~~the charter school from expanding enrollment to meet pupil~~
15 ~~demand.~~

16 ~~(e) No governing board of a school district shall require any~~
17 ~~employee of the school district to be employed in a charter~~
18 ~~school.~~

19 ~~(f) No governing board of a school district shall require any~~
20 ~~pupil enrolled in the school district to attend a charter school.~~

21 ~~(g) The governing board of a school district shall require that~~
22 ~~the petitioner or petitioners provide information regarding the~~
23 ~~proposed operation and potential effects of the school, including,~~
24 ~~but not limited to, the facilities to be utilized by the school, the~~
25 ~~manner in which administrative services of the school are to be~~
26 ~~provided, and potential civil liability effects, if any, upon the~~
27 ~~school and upon the school district. The description of the~~
28 ~~facilities to be used by the charter school shall specify where the~~
29 ~~school intends to locate. The petitioner or petitioners shall also be~~
30 ~~required to provide financial statements that include a proposed~~
31 ~~first-year operational budget, including startup costs, and~~
32 ~~cashflow and financial projections for the first three years of~~
33 ~~operation.~~

34 ~~(h) In reviewing petitions for the establishment of charter~~
35 ~~schools within the school district, the school district governing~~
36 ~~board shall give preference to petitions that demonstrate the~~
37 ~~capability to provide comprehensive learning experiences to~~
38 ~~pupils identified by the petitioner or petitioners as academically~~
39 ~~low achieving pursuant to the standards established by the State~~
40 ~~Department of Education under Section 54032.~~

1 (i) ~~Upon the approval of the petition by the governing board of~~
2 ~~the school district, the petitioner or petitioners shall provide~~
3 ~~written notice of that approval, including a copy of the petition,~~
4 ~~to the applicable county superintendent of schools, the State~~
5 ~~Department of Education, and the State Board of Education.~~

6 (j) ~~(1) If the governing board of a school district denies a~~
7 ~~petition, the petitioner may elect to submit the petition for the~~
8 ~~establishment of a charter school to the county board of~~
9 ~~education. The county board of education shall review the~~
10 ~~petition pursuant to subdivision (b). If the petitioner elects to~~
11 ~~submit a petition for establishment of a charter school to the~~
12 ~~county board of education and the county board of education~~
13 ~~denies the petition, the petitioner may file a petition for~~
14 ~~establishment of a charter school with the State Board of~~
15 ~~Education, and the state board may approve the petition, in~~
16 ~~accordance with subdivision (b). Any charter school that receives~~
17 ~~approval of its petition from a county board of education or from~~
18 ~~the State Board of Education on appeal shall be subject to the~~
19 ~~same requirements concerning geographic location that it would~~
20 ~~otherwise be subject to if it receives approval from the entity to~~
21 ~~whom it originally submits its petition. A charter petition that is~~
22 ~~submitted to either a county board of education or to the State~~
23 ~~Board of Education shall meet all otherwise applicable petition~~
24 ~~requirements, including the identification of the proposed site or~~
25 ~~sites where the charter school will operate.~~

26 ~~(2) In assuming its role as a chartering agency, the State Board~~
27 ~~of Education shall develop criteria to be used for the review and~~
28 ~~approval of charter school petitions presented to the State Board~~
29 ~~of Education. The criteria shall address all elements required for~~
30 ~~charter approval, as identified in subdivision (b) of Section~~
31 ~~47605 and shall define “reasonably comprehensive” as used in~~
32 ~~paragraph (5) of subdivision (b) of Section 47605 in a way that is~~
33 ~~consistent with the intent of the Charter Schools Act of 1992.~~
34 ~~Upon satisfactory completion of the criteria, the State Board of~~
35 ~~Education shall adopt the criteria on or before June 30, 2001.~~

36 ~~(3) A charter school for which a charter is granted by either~~
37 ~~the county board of education or the State Board of Education~~
38 ~~based on an appeal pursuant to this subdivision shall qualify fully~~
39 ~~as a charter school for all funding and other purposes of this part.~~

1 ~~(4) If either the county board of education or the State Board~~
2 ~~of Education fails to act on a petition within 120 days of receipt,~~
3 ~~the decision of the governing board of the school district, to deny~~
4 ~~a petition shall, thereafter, be subject to judicial review.~~

5 ~~(5) The State Board of Education shall adopt regulations~~
6 ~~implementing this subdivision.~~

7 ~~(6) Upon the approval of the petition by the county board of~~
8 ~~education, the petitioner or petitioners shall provide written~~
9 ~~notice of that approval, including a copy of the petition to the~~
10 ~~State Department of Education and the State Board of Education.~~

11 ~~(k) (1) The State Board of Education may, by mutual~~
12 ~~agreement, designate its supervisory and oversight~~
13 ~~responsibilities for a charter school approved by the State Board~~
14 ~~of Education to any local education agency in the county in~~
15 ~~which the charter school is located or to the governing board of~~
16 ~~the school district that first denied the petition.~~

17 ~~(2) The designated local education agency shall have all~~
18 ~~monitoring and supervising authority of a chartering agency,~~
19 ~~including, but not limited to, powers and duties set forth in~~
20 ~~Section 47607, except the power of revocation, which shall~~
21 ~~remain with the State Board of Education.~~

22 ~~(3) A charter school that has been granted its charter through~~
23 ~~an appeal to the State Board of Education and elects to seek~~
24 ~~renewal of its charter shall, prior to expiration of the charter,~~
25 ~~submit its petition for renewal to the governing board of the~~
26 ~~school district that initially denied the charter. If the governing~~
27 ~~board of the school district denies the school's petition for~~
28 ~~renewal, the school may petition the State Board of Education for~~
29 ~~renewal of its charter.~~

30 ~~(l) Teachers in charter schools shall be required to hold a~~
31 ~~Commission on Teacher Credentialing certificate, permit, or~~
32 ~~other document equivalent to that which a teacher in other public~~
33 ~~schools would be required to hold. These documents shall be~~
34 ~~maintained on file at the charter school and shall be subject to~~
35 ~~periodic inspection by the chartering authority. It is the intent of~~
36 ~~the Legislature that charter schools be given flexibility with~~
37 ~~regard to noncore, none college preparatory courses.~~

38 ~~(m) A charter school shall transmit a copy of its annual,~~
39 ~~independent, financial audit report for the preceding fiscal year,~~
40 ~~as described in subparagraph (l) of paragraph (5) of subdivision~~

1 ~~(b), to its chartering entity, the Controller, the county~~
2 ~~superintendent of schools of the county in which the charter~~
3 ~~school is sited, unless the county board of education of the~~
4 ~~county in which the charter school is sited is the chartering~~
5 ~~entity, and the State Department of Education by December 15 of~~
6 ~~each year. This subdivision shall not apply if the audit of the~~
7 ~~charter school is encompassed in the audit of the chartering entity~~
8 ~~pursuant to Section 41020.~~

9 *SEC. 4. Section 2.5 of this bill incorporates amendments to*
10 *Section 42127.8 of the Education Code proposed by both this bill*
11 *and AB 1366. It shall only become operative if (1) both bills are*
12 *enacted and become effective on or before January 1, 2006, (2)*
13 *each bill amends Section 42127.8 of the Education Code, and (3)*
14 *this bill is enacted after AB 1366, in which case Section 2 of this*
15 *bill shall not become operative.*